



**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

17 December 18, 2012

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Los Angeles County  
Board of Supervisors

December 11, 2012

Gloria Molina  
First District

Mark Ridley-Thomas  
Second District

Zev Yaroslavsky  
Third District

Don Knabe  
Fourth District

Michael D. Antonovich  
Fifth District

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO TRAUMA CENTER SERVICE  
AGREEMENT AND RELATED FUNDING  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to extend the term of Trauma Center Service Agreements with 12 non-County and two County designated trauma centers, and to allow for direct payment where supplemental Medi-Cal payment is not available.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize the Director of Health Services (Director), or his designee, to execute amendments to the Trauma Center Service Agreements (TCSAs) with the 12 non-County and two County designated trauma hospitals listed in Attachment A, to extend the term of the agreements for six months, for an estimated maximum obligation of \$21.4 million for six months to the non-County Trauma Centers (Extension Funding), subject to proportional adjustment for a percentage change in Measure B Tax Property Assessment (TPA) revenues for Fiscal Year (FY) 2012-13 as compared to FY 2011-12, and to provide for direct payment of certain supplemental amounts up to \$105.1 million for the extension and prior periods if such amounts cannot be matched with federal funds and paid by Medi-Cal for the provision of trauma center services.

2. Approve an estimated amount of \$14.1 million of the Extension Funding, as a potential intergovernmental transfer (IGT) to the State to serve as the non-federal share of enhanced Medi-Cal payments and provide the private trauma

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community and university partners.



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centers in Los Angeles County with an estimated potential additional Federal match of \$14.1 million reimbursement for trauma care for the period January 1, 2013 through June 30, 2013.

3. Delegate authority to the Director, or his designee, to amend these Agreements to extend the term, on a month-to-month basis, for up to one year through June 30, 2014, with substantially similar terms and conditions, subject to prior review and approval by County Counsel and notification to the Board and the Chief Executive Office at the funding level approved for Fiscal Year (FY) 2012 13.

4. Approve the annual Trauma Center/Paramedic Base Hospital fee for the non-County and County trauma centers to offset the County's costs associated with data collection, monitoring, and evaluation for FYs 2012-13 and 2013-14, at \$86,577 and \$88,831, respectively, for each Contractor, excluding Children's Hospital Los Angeles for whom the annual fee for FYs 2012-13 and 2013-14 shall be \$71,520 and \$73,382, respectively.

5. Approve the allocation and distribution of an estimated \$2.0 million in Senate Bill (SB) 1773 pediatric trauma allocation (Richie's Fund) in FY 2013-14, based on FY 2012-13 collections, through the TCSAs to the designated Pediatric Trauma Centers (PTCs) listed in Attachment B.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Trauma care is vital to public health and safety. Trauma centers save lives by providing immediate coordination of highly specialized care for the most life-threatening injuries. In communities with access to trauma care centers, mortality and morbidity rates from traumatic injuries are significantly reduced.

Presently, the Medi-Cal State Plan allows supplemental or enhanced payments to private trauma hospitals in Los Angeles County which are funded by an IGT from the County and federal matching funds. Pursuant to the State Plan and a related interagency agreement between the County and the California Department of Health Care Services (DHCS), the IGT and federal matching funds are distributed among the County-designated private trauma hospitals to ensure continued access by Medi-Cal beneficiaries to trauma and emergency room care in the County. Such payments are subject to an aggregate limit. During development of a successor TCSA, DHS became aware of a potential problem with the methodology used by DHCS to determine the limit on enhanced trauma hospital payments under the State Plan, which is based on the aggregate uncompensated costs of the eligible private trauma hospitals in Los Angeles County for Medi-Cal outpatient hospital services. DHS and the Trauma Centers are currently working with DHCS to resolve this issue. However, depending on the outcome of negotiations with the Centers for Medicare and Medicaid Services ("CMS"), it may be possible that the amount of enhanced Medi-Cal payments to private trauma hospitals which are IGT funded may be significantly reduced both in the future and retroactively to Fiscal Year 2009-10.

Approval of the first recommendation will allow the Director to execute TCSA Amendments, substantially similar to Exhibit I, to extend the term of each agreement for six months, for the period of January 1, 2013 through June 30, 2013, for the continued provision of trauma center services. Approval of this recommendation will also allow the Director to reimburse non-County trauma centers for care provided to eligible trauma patients for the six-month period of January 1, 2013 through June 30, 2013, as set forth in Exhibit B of the TCSA. The amendment also makes provision for the direct

payment of certain funds that would ordinarily be used as an IGT to allow supplemental Medi-Cal payments both retroactively and prospectively in the event that the Medi-Cal State Plan is construed in a way which would preclude using such IGT funds to draw down supplemental federal financial participation.

This additional six-month period is needed to allow DHS more time to resolve the issues raised by DHCS regarding the State's ability to use some or all of the IGTs to draw down federal matching funds and make supplemental Medi-Cal payments. .

Approval of the second recommendation will allow the Director to distribute an estimated amount of \$14.1 million as an IGT for the period January 1, 2013 through June 30, 2013 to the State to draw-down federal matching funds for supplemental Medi-Cal payments and provide the private trauma centers, excluding Ronald Reagan UCLA Medical Center and Antelope Valley Hospital, with an estimated additional Federal match of \$14.1 million reimbursement for trauma care. If any amount of the Federal matching funds are not available, DHS may elect to shift amounts between the different funding components of the agreement, Claims Based, Paramedic Base Station, and Lump Sum to any of the private trauma centers.

Approval of the third recommendation will allow the Director to extend the term of each Agreement on a month-to-month basis for up to one additional year through June 30, 2014, if there are no material changes in the reimbursement provisions.

DHS and the Trauma Centers recognize that the Affordable Care Act and the current state Medicaid Demonstration project will have significant impact on the payment mechanisms in this contract, particularly as of January 1, 2014. Accordingly, DHS will begin promptly to work with the Trauma Centers, as a group, to evaluate the current structures in light to changes in the health care industry, to estimate impacts, and to develop proposals to revise the payment mechanisms in an attempt to assist the Trauma Centers in accessing federal revenue.

Approval of the fourth recommendation will increase the annual Trauma Center/Paramedic Base Hospital fee which offsets the County's costs of data collection, monitoring, and evaluation of the Advanced Life Support programs. The increase is necessary to offset the additional costs of the Trauma Emergency Medicine Information system and staff salaries to manage the data. SB 1773 requires that 15 percent, also known as Richie's Fund, be allocated to expand pediatric trauma and emergency services at both County and non-County facilities. Since your Board's approval, Northridge Hospital Medical Center (NHMC) has been designated a PTC, bringing the total number of PTCs operating in Los Angeles County to seven.

Since your Board's implementation of SB 1773 in March 2007, Richie's Fund allocations totaling \$11.6 million have been distributed as follows: \$3.1 million to the two County-operated PTCs; \$3.2 to the four non-County PTCs; and \$5.3 million to NHMC to enhance pediatric trauma and emergency services. The funds being allocated are earmarked in the Legislation for the enhancement of pediatric trauma and emergency care. The TCSAs set out the trauma center and PTC service requirements.

Approval of the fifth recommendation will allow the Director to distribute of Richie's Fund collected in FY 2012-13 to be paid in FY 2013-14, to the PTCs listed in Attachment B to augment the services provided to pediatric trauma patients. The four non-County PTCs excluding NHMC, and the two County-operated PTCs will receive an estimated \$0.1 million. NHMC will receive an estimated \$1.9 million in FY 2013-14 as the final allocation to help defray losses incurred during the third year of operation as a PTC. NHMC previously received \$1.6 and \$1.7 million in FYs 2010-11 and 2012-13,

respectively, to defray operating losses for the first two years as a PTC.

### **Implementation of Strategic Plan Goals**

The recommended action supports Goal 3, Integrated Services Delivery of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

For the extension period of January 1, 2013 through June 30, 2013, the total estimated maximum obligation to non-County trauma centers will be \$21.4 million. Funding for the non-County trauma centers is based in part on Measure B Funding. This Measure B funding may vary as a result of proportional adjustment due to change in TPA revenues for FY 2012-13 as compared to FY 2011-12.

The total amount of \$21.4 million includes \$5.8 million for claims-based payments, \$13.4 million for periodic lump-sum payments for providing continued access to emergency care for Medi-Cal beneficiaries, and \$2.2 million for the special costs incurred for those trauma centers providing base hospital services. The \$5.8 million for claims-based amount consists of Measure B (approximately \$4.3 million) and SB 612 (Maddy) funds (approximately \$1.5 million).

This Amendment provides for an annual trauma center service fee in the amount of \$86,577 for FY 2012-13, and \$88,831 for FY 2013-14, payable to the County by each non-County and County-operated trauma center, excluding Children's Hospital Los Angeles for whom the Paramedic Case Hospital fee does not apply; therefore, their fee shall be \$71,520 for FY 2012-13, and \$73,382 for FY 2013-14, to offset County costs associated with data collection, monitoring, and evaluation. Estimated annual revenue to the County from these fees is \$1.2 million for FY 2012-13 and \$1.2 million, for FY 2013-14.

For FY 2013-14, an estimated \$2.0 million in Richie's Fund will be distributed to the existing PTCs based on projected FY 2012-13 collections and pediatric trauma volume (excluding NHMC). NHMC will receive an estimated \$1.9 million as the final allocation to help defray operating losses incurred in the third year of maintaining a PTC and the balance of \$0.1 million will be allocated to the two County-operated and the four non-County operated PTCs.

Funding is included in DHS' FY 2012 13 Final Budget and will be requested in FY 2013-14.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to the authority granted under California Health and Safety (H&S) Code Section 1798.160, the County maintains trauma facilities as part of the regional trauma care system for treatment of potentially seriously injured persons. Division 2.5 of the H&S Code authorizes the local Emergency Medical Services Agency to designate Trauma Centers as part of the regional trauma care system. There are currently 12 non-County and two County-operated trauma centers in the County. The current TCSAs with these trauma centers expire December 31, 2012.

On November 6, 2002, Measure B, a ballot initiative, was passed by the voters of Los Angeles County. Measure B provides funding for trauma and emergency services as well as bioterrorism preparedness. A portion of these funds is allocated by the County to reimburse private Trauma

Centers for care provided to County-responsible patients. Another portion of the funds is used for an IGT to provide the non-federal share of enhanced Medi-Cal payments to private trauma hospitals.

This Amendment to the TCSAs with the 14 designated trauma hospitals will extend their term for an additional six months, through June 30, 2013 and provide for direct payment of certain County funds in the event that the expected levels of enhanced Medi-Cal payments cannot be made. Such direct payments shall not exceed the amount DHS would otherwise expend as an IGT. At the Director's discretion, DHS may execute an additional amendment to extend the contract term for an additional one (1) year on a month-to-month basis, through June 30, 2014, if there are no major changes in the reimbursement provisions.

On March 6, 2007, your Board adopted a resolution which implemented the provisions of SB 1773, which was approved by the Governor on September 30, 2006. SB 1773 authorized your Board to levy an additional penalty in the amount of \$2 for every \$10, upon fines, penalties, and forfeitures collected for criminal offenses to cover emergency and trauma services provided to indigent patients and improve emergency services in the County, so long as the increased penalties did not offset or reduce the funding of other programs from other sources.

County Counsel has approved Exhibit I as to form.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendations will help ensure that the Trauma Centers will continue to provide the level of program services currently offered in the County through June 30, 2013.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:CC:rb

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

**TRAUMA CENTERS**

**NON-COUNTY TRAUMA CENTERS**

1. Antelope Valley Hospital
2. California Hospital Medical Center
3. Cedars-Sinai Medical Center
4. Childrens Hospital Los Angeles
5. Henry Mayo Newhall Memorial Hospital
6. Huntington Memorial Hospital
7. Long Beach Memorial Hospital
8. Northridge Hospital Medical Center
9. Providence Holy Cross Medical Center
10. St. Francis Medical Center
11. St. Mary Medical Center
12. Ronald Reagan UCLA Medical Center

**COUNTY-OPERATED TRAUMA CENTERS**

1. LAC+USC Medical Center
2. Harbor-UCLA Medical Center

**PEDIATRIC TRAUMA CENTERS**

**NON-COUNTY PEDIATRIC TRAUMA CENTERS**

- 1) Northridge Hospital Medical Center (New PTC)
- 2) Cedars-Sinai Medical Center
- 3) Children's Hospital Los Angeles
- 4) Long Beach Memorial Hospital
- 5) Ronald Reagan UCLA Medical Center

**COUNTY-OPERATED PEDIATRIC TRAUMA CENTERS**

- 6) LAC+USC Medical Center
- 7) Harbor-UCLA Medical Center

EXHIBIT I

Agreement No. \_\_\_\_\_

TRAUMA CENTER SERVICE AGREEMENT

Amendment No. 8

This Amendment is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013 by and between the COUNTY OF LOS ANGELES (hereafter "County"), and \_\_\_\_\_ (hereafter "Contractor").

WHEREAS, on June 17, 2008, the County and Contractor, entered into Agreement No. \_\_\_\_\_ to provide Trauma Center Services; and

WHEREAS, on March 30, 2010, the Director exercised delegated authority as provided in Additional Provisions, paragraph 24, Merger Provision to approve Amendment No. 1 to authorize a Trauma Center Services Agreement with Antelope Valley Hospital of Agreement No. \_\_\_\_\_; and

WHEREAS, on July 1, 2010, the Director exercised delegated authority as provided in Additional Provisions, paragraph 24, Merger Provision to approve Amendment No. 2 to extend the term for one year through June 30, 2011 of Agreement No. \_\_\_\_\_; and

WHEREAS, on May 10, 2011, the Director exercised delegated authority as provided in Additional Provisions, paragraph 24, Merger Provision to approve Amendment No. 3 to reflect allocation and distribution of Senate Bill 1773 funding of Agreement No. \_\_\_\_\_; and

WHEREAS, on July 1, 2011, the Director exercised delegated authority as provided in Additional Provisions, paragraph 24, Merger Provision to approve Amendment No. 4 to extend the term for one month through July 31, 2011, of Agreement No. \_\_\_\_\_; and

WHEREAS, on August 1, 2011, the Director exercised delegated authority as provided in Additional Provisions, paragraph 24, Merger Provision to approve Amendment No. 5 to extend the term for one month through August 31, 2011, of Agreement No. \_\_\_\_\_; and

WHEREAS, on September 1, 2011, the Director exercised delegated authority as provided in Additional Provisions, paragraph 24, Merger Provision to approve Amendment No. 6 to extend the term for ten months through June 30, 2012, of Agreement No. \_\_\_\_\_; and



WHEREAS, on July 1, 2012, the Director exercised delegated authority as provided in Additional Provisions, paragraph 24, Merger Provision to approve Amendment No. 7 to extend the term for six months, for the period of July 1, 2012 through December 31, 2012, of Agreement No. \_\_\_\_\_; and

WHEREAS, it is the intent of the parties to extend the current amendment for a period of six months, for the period of January 1, 2013 through June 30, 2013; and

WHEREAS, Agreement provides that changes in accordance with Additional Provisions, paragraph 24, Merger Provision may be made in the form of an amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective on January 1, 2013.
2. This Agreement is hereby amended to delete paragraph 1. Term, subparagraph A. in its entirety and replace it as follows:

"A. This Agreement supersedes all other previous agreements entitled "Trauma Center Service Agreement" and shall commence effective July 1, 2008, and it shall remain in full force and effect until June 30, 2013, without further action of the parties. In any event, County may terminate this Agreement in accordance with the TERMINATION Paragraphs of the ADDITIONAL PROVISIONS hereunder."

3. Paragraph 14, TRAUMA CENTER FEES, of Agreement shall be deleted in its entirety and replaced with the following:

"14. TRAUMA CENTER FEES: By payment as set forth in this paragraph, Contractor agrees to offset a portion of the cost of the data collection effort excluding new hardware, the data management system, and a portion of the County's administrative costs for the trauma system and base hospital operation. The annual Trauma Center/Base Hospital fee for Fiscal Years 2012-13 and 2013-14 shall be Eighty Six Thousand Five Hundred Seventy Seven Dollars (\$86,577), and Eighty Eight Thousand Eight Hundred Thirty One Dollars (\$88,831), respectively, for each Contractor and is due on or before August 31 of the fiscal year. Since the base hospital requirement does not apply to Children's Hospital Los Angeles, as noted in Paragraph 4. SPECIFIC RESPONSIBILITIES OF CONTRACTOR, Section F., the annual Trauma Center fee for Children's Hospital Los Angeles for Fiscal Years 2012-13 and 2013-14 shall be Seventy One Thousand Five Hundred Twenty Dollars (\$71,520), and Seventy Three Thousand Three Hundred Eighty Two Dollars (\$73,382), respectively, and is due on or before August 31 of the fiscal year.

If this Agreement is revoked, cancelled, or otherwise terminated on a date other than June 30, the amount reflected herein above for such term shall be prorated, and a reduced amount, based upon the actual number of days of such term that the Agreement is in effect, shall be due County hereunder. If the greater sum has already been paid by Contractor, County shall refund the difference between that payment and the prorated amount.

If this Agreement is revoked, cancelled, or terminated because of Contractor's failure to maintain the trauma system criteria as described in applicable Exhibits "A.I" – "A.IV", or failure to maintain an acceptable level of trauma care as determined by community standards, Contractor shall not be eligible for any such refund.

In any event, County shall refund to Contractor its prorated share of remaining funds contributed by designated County Trauma Centers to the data collection system, if the total cost of such programs, as determined by the County's Auditor-Controller and Director in accordance with standard auditing and accounting practices, is found to be less than the total amount contributed by designated Trauma Centers."

4. Exhibit B, PROVISIONS FOR REIMBURSEMENT, shall be deleted in its entirety and replaced with the revised Exhibit B, PROVISIONS FOR REIMBURSEMENT, attached hereto.
5. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Mitchell H. Katz, M.D.  
Director of Health Services

CONTRACTOR

\_\_\_\_\_  
By: \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name  
\_\_\_\_\_  
Title

APPROVED AS TO FORM  
JOHN KRATTLI, COUNTY COUNSEL

TRAUMA CENTER SERVICE AGREEMENT

EXHIBIT B  
PROVISIONS FOR REIMBURSEMENT  
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TRAUMA CENTER SERVICE AGREEMENT

EXHIBIT B  
PROVISIONS FOR REIMBURSEMENT

I. ELIGIBLE INDIGENT CARE FUNDING

A. GENERAL REIMBURSEMENT CONDITIONS: County has allocated certain monies as set forth herein to be used to pay Contractor for trauma care provided to eligible patients during the term of this Agreement. For the term of this Agreement, funds and Hospital Services Account funds shall be deposited to the County administered Special Revenue Funds referenced in Paragraph I.D.2. of Exhibit B. These deposits, together with other funds, which County may at its sole discretion allocate to the account from time to time, shall be used to pay Contractor for trauma patient care.

Reimbursement to Contractor shall be provided from the Special Revenue Funds by County for the hospital component of treatment of trauma patients hereunder who are unable to pay for the treatment and for whom payment for such services has not been made and will not be made through private coverage or by any program funded in whole or in part by the federal government.

Contractor will determine and document persons who are eligible for services coverage hereunder. Only eligible patients (i.e., (1) those unable to pay for services, and (2) for whom there is no third-party coverage in part or in whole for trauma services provided, qualify under this funding program. No reimbursement shall be provided for patient care if the patient has the ability to pay for the service, but refuses or fails to pay for same. Nor is County responsible nor shall it pay for services hereunder if Contractor has failed to submit to any known third-party payer(s) for the patient, an accurate, complete, and timely billing, and for that reason has been denied payment by such payer(s). Nor shall reimbursement be due Contractor or paid by County hereunder for any patient care which is covered in, or the subject of reimbursement in, any other contract between Contractor and County.

To bill County, Contractor must at a minimum show that it has made reasonable efforts to secure payment from the patient by billing (at least monthly) for an additional period of no less than two (2) months after the date of discharge. Contractor must show that the person cannot afford to pay for the services provided by the Contractor; and, it must also show that payment for the services will

not be covered by third-party coverage or by any program funded in whole or in part by the federal government; and, that Contractor has not received payment for any portion of the amount billed.

County reimbursement is limited to trauma patients without the ability to pay for the services and for whom Contractor has made a reasonable, good faith effort to determine if there is a responsible private or public third-party source of payment, and there is no source of payment.

Contractor will continue to determine and document persons who are eligible for trauma care coverage hereunder in accordance with the procedures set forth in Attachment "B-1", Trauma Service County Eligibility ("TSCE") Protocol, attached hereto and incorporated herein by reference.

Attachment "B-1.1", Trauma Service County Eligibility ("TSCE") Agreement form shall be utilized by Contractor as the sole means for determining each patient's eligibility for trauma care coverage during the term of this Agreement. The TSCE Agreement form must be completed and signed by the patient or the patient's responsible relative(s). If a TSCE Agreement form cannot be secured because the patient or the patient's responsible relative(s) is (are) unable to

cooperate in providing the necessary financial information, then a Contractor certification to that effect (Attachment "B-1.2", Hospital Certification of Inability to Cooperate form) must be completed. The original (or electronic scan) of each such form must be maintained by Contractor as part of its financial records. Contractor shall submit a copy of the applicable form to the County Emergency Medical Services (EMS) Agency as stated in Attachment "B-4", Instructions for Submission of Claims and Data Collection.

Documentation to establish that Contractor has complied with the aforementioned patient eligibility requirements must be maintained by Contractor and made available upon request, pursuant to Paragraph 5, of the Additional Provisions Exhibit of this Agreement, to authorized County or State representatives for inspection, audit, and photocopying.

During the term of this Agreement, as required by Section 16818 of the Welfare and Institutions Code, (W&IC) Contractor shall continue to provide, at the time treatment is sought by a patient at its facility, individual notice of the availability of reduced cost hospital care under this Agreement. Additionally, Contractor shall post, in conspicuous places in its emergency department and patient



waiting rooms, notices of the procedures for applying for reduced cost hospital care hereunder. The approved "Notice" language is reflected in English in Attachment "B-2" and in Spanish in Attachment "B-3".

B. CONTINUED BILLING TO COUNTY: In the event funding as set forth in Paragraph I.D. of Exhibit B is exhausted prior to the expiration or other termination of this Agreement, Contractor shall continue to bill County, for remaining period up to such expiration or earlier termination, in accordance with the terms of this Agreement.

C. PAYMENT FOR CONTRACTOR SERVICES:

1. County agrees under the following conditions to reimburse Contractor for the hospital component of trauma services to eligible trauma patients described in Paragraph I.A. of Exhibit B, within forty-five (45) days of receipt of a valid claim:

a. Reimbursement by County shall be limited to payment for the hospital component of trauma services provided to eligible indigent patients for whom Contractor is required to complete a Trauma Patient Summary ("TPS") form, Attachment "D-2", of Agreement.

b. Contractor shall submit required reports as set forth in Attachment "B-4", Instructions for Submission of Claims and Data Collection, attached hereto and incorporated herein by reference to County's Emergency Medical Services Agency, 10100 Pioneer Boulevard, Suite 200, Santa Fe Springs, California 90670, for trauma care provided under the terms of this Agreement, and this care shall be reimbursed by County pursuant to subparagraphs I.C.1.d. and f. of Exhibit B.

c. Reimbursement by County shall be limited to the hospital component of trauma services provided to eligible indigent patients during the term of this Agreement. Reimbursement shall only be made on claims for which all required data is in the Trauma and Emergency Medicine Information System (TEMIS) and which has been submitted as required by reporting procedures reflected in Attachment "B-4". Reimbursement to Contractor and other County contract trauma service hospitals shall be made from the Special Revenue Funds (see infra.). All

Contractor claims for services provided during the County Fiscal Year (July - June) must be received by County within four (4) months after the close of the fiscal year (June 30), no later than the last working day of October of the following fiscal year.

d. Following receipt of all of the required reports and billings from Contractor and other contract trauma service hospitals and subject to the funding provision below, County payment hereunder for the hospital component of trauma services provided by Contractor to eligible trauma patients, as defined hereunder, shall be based on the following all-inclusive rates:

FY 2012-13  
(January 1, 2013 - June 30, 2013)

\$ 6,425 per emergency department visit and  
assessment. (No such fee will be paid if  
the patient is admitted to the hospital as  
an inpatient from the emergency department.)  
\$12,471 for the first inpatient day; and  
\$ 5,417 for the second inpatient day; and  
\$ 4,283 for the third inpatient day; and

\$ 4,283 for the fourth inpatient day; and

\$ 3,023 for each day thereafter.

These payments will be the maximum amounts payable to Contractor for care hereunder, with aggregate payment for all Contractors for services provided during the term of this Agreement until the allocated funds set forth in Paragraph I.D. of this Exhibit are exhausted.

e. Once the medical condition of a trauma patient has stabilized, Contractor may contact the County's Medical Alert Center or other personnel as designated by County to request transfer of the trauma patient in accordance with County patient transfer procedures and priority criteria as approved by Director. Until the transfer occurs, County's responsibility for reimbursement to Contractor for medically necessary services shall continue as described herein.

f. Any and all payments received by Contractor from a trauma patient or from third-party payers, or both, for claims previously billed to the County, must be immediately reported to the County. If Contractor previously

received payment from the County for such claims, the Contractor must immediately submit a refund of County's payment to the Special Revenue Funds Section, 313 North Figueroa Street, Room 505, Los Angeles, California 90012. A TRAUMA HOSPITAL PAYMENT REFUND FORM (Attachment B-6) must be completed and submitted for each refund. All such refunds received by County will be deposited to the Special Revenue Funds. If Contractor has not received payment from the County for such claims, the Contractor must withdraw the claim by notifying the EMS Agency Reimbursement Coordinator at 10100 Pioneer Boulevard, Suite 200, Santa Fe Springs, California 90670.

g. Director, at his/her discretion, may deduct from payments due to Contractor any prior overpayments made under this Agreement which were paid due to County's or to Contractor's clerical error or which resulted from Contractor's subsequent receipt of payment from the patient or third-party payer(s). County shall furnish Contractor with an itemization of such deductions, which will include the identity of

the patient(s) for whose care overpayment was made, amounts of overpayment, and the basis for the finding of overpayment.

h. Upon payment of claim to Contractor by County for a trauma patient's care, and assignment and subrogation to County of any and all rights to collection as set forth herein, Contractor shall within ninety (90) days of the receipt of those funds, cease all current and waive all future collection efforts, by itself and by its contractors/agents, to obtain any payment from the patient.

Contractor shall pursue reimbursement from third party coverage such as Medi-Cal, Medicare, other government programs, or other health insurance if they become aware of coverage. Contractor shall, upon verification of such third party coverage, submit a bill for its services to the third party. As soon as payment is received, Contractor shall reimburse County any payment received under the Trauma Center Service Agreement (TCSA) for that patient. Contractor agrees to assign and subrogate all rights that they may have against any patient, his/her responsible relative, any

third party tortfeasor for reimbursement as a result of care and services provided by Contractor for which a claim has been paid by County under the TCSA. At its sole discretion, County and/or its Contractor may proceed independently against such parties for reimbursement to the extent permitted by law. The rights hereby assigned and subrogated to County under this provision include reimbursement up to the full amount of usual and customary fees, (including, for example, billed charges) for patient care and services regardless of any amount the Contractor has received under the TCSA. In the event Contractor is contacted by other third party's representative (e.g., insurance claim adjuster) or a patient's attorney regarding pending litigation, Contractor shall indicate that the claim for services provided to their client is assigned and subrogated to the County and refer such representative to the designated County contact. Contractor shall reasonably cooperate with County in its collection efforts. In the event Contractor receives payment from a patient's attorney for a lien filed on behalf of the County, Contractor shall reimburse such payment to the County.

Examples of when these County collection efforts might occur would include, but not necessarily be limited to, situations where there are third-party tortfeasors responsible for a patient's medical expenses.

For trauma patients admitted to Contractor's facility prior to or on the last day during the term of this Agreement, and remaining in the hospital after that date, reports and billings to County shall be submitted only after patient has been discharged in the subsequent month (no partial billings). Payment by County to Contractor for such patients shall be at the rates in effect on the date of admission. Said reports and billings shall be on forms, and completed in such detail and with such attachments in accordance with procedures prescribed in writing by Director in Attachment "B-4".

Contractor hereby acknowledges receipt of such forms, attachments, and procedures. Said reports shall be submitted to County's EMS Agency no later than within four (4) months after the close of the fiscal year during which services were provided, no later than the last working day of October of the



following fiscal year.

i. Any funds received by the County, pursuant to Paragraph I.C.1.h., shall be deposited into the Special Revenue Funds.

2. All required reports and billings submitted by Contractor shall be rendered in the name of Contractor as said name appears upon the upper portion of the first page of this Agreement.

3. Contractor shall maintain and make available to State or County representatives upon request records of all of the financial information referenced in this Paragraph, including records of patient and third-party payer payments, all in accordance with Paragraph 5, of the Additional Provisions Exhibit of this Agreement.

4. County may periodically conduct an audit of the Contractor's records. Audits shall be performed in accordance with generally accepted auditing standards. The audit may be conducted on a statistically random sample of claims from the adjudicated universe for a fiscal year. The scope of the audit shall include an examination of patient medical and financial records, patient/insurance billing records, and collection agency reports associated with the sampled claims.

Audited paid claims that do not comply with program requirements shall result in a refund to the Special Revenue Funds. Any audited claim which is in violation of the Contract terms and conditions shall result in the Contractor refunding to the County the claim amount plus a penalty of fifty percent (50%) of the amount paid for that claim. Audit results may be appealed to the EMS Agency Director, or his/her designee.

Audited unpaid claims that do not comply with program requirements shall result in an adjustment in hospital's subsequent year's recommendations for Medi-Cal funding.

D. CLAIMS-BASED FUNDING: The parties have agreed to the following payment mechanisms for payment to the Contractors, with the maximum funding amount as set forth below to apply to the aggregate of payments made to the Contractor under the terms herein, and to payments made to all other trauma hospital Contractors under the terms of identical agreements with the County:

1. Funding (Claims Based) for FY 2012-13:

(January 1, 2013 - June 30, 2013): Except as set forth below, County has allocated an estimated maximum total amount of \$5.75 million. The parties acknowledge that this funding is comprised in part by

revenue generated by Measure B TPA Funds as allocated by the County Board of Supervisors and the Maddy Fund. The parties further acknowledge that the Measure B TPA Funds may vary based on (1) a percentage change, if any, in the total revenue generated for FY 2012-13 as compared to FY 2011-12 (the base year); and/or (2) the adjustment by the cumulative increase to the medical component of the Western Urban Consumer Price Index from July 1, 2012, as established by the United States Bureau of Labor Statistics if set by the Board of Supervisors, exclusively (Measure B Adjustment). The Maddy Fund allocated to this contract is based on total collections. As a result of potential Measure B Adjustment and fluctuations in Maddy Fund collections, the estimated total maximum allocation may be adjusted above or below the aggregate of \$5.75 million. The parties also agree that the amount resulting from any Measure B Adjustment applied to the Claims-Based Funding may be allocated, in whole, to increase the maximum obligation for the Lump-Sum Funding for a potential intergovernmental transfer (IGT), if any, as set forth in this Section and Section IV hereinbelow, rather than to the Claims-Based Funding maximum

obligation.

2. All funds collected, including audit claim penalties, shall be deposited to the County contract trauma hospitals Special Revenue Funds and utilized to make payments to all County contract trauma service hospitals at the rates set forth in subparagraph I.C.1.d. of Exhibit B.

3. All County contract trauma hospital claims shall be paid on a first-come, first-validated basis, until all allocated funds are disbursed. All funds shall be disbursed within forty-five (45) days of receipt of validated claims by County for Contractor services performed hereunder during the term of this Agreement, all pursuant to the rate schedule identified in subparagraph I.C.1.d. of Exhibit B.

4. "Claims" for purposes of the above means validated claims at the rate defined herein. In no event, however, shall the total disbursement under this Paragraph to Contractor for a claim exceed Contractor's aggregate charges for the services provided (based upon Contractor's customary rates in effect on the dates of service).

5. Maximum amounts payable under this Agreement shall not be modified if, and upon, designation of any other trauma center not a Contractor hereunder.

E. BILLING AND PAYMENT - PHYSICIAN SERVICES: A copy of the revised Trauma Physician Services Program packet for County Fiscal Years 2010-11 through 2012-13, Attachment "B-5 ", is attached and incorporated herein by reference. The packet for future Fiscal Years shall be provided to Contractor as soon as available thereafter. To permit its physicians to bill County for the professional component of un-reimbursed trauma services furnished to Contractor's trauma patients during the term of this Agreement, Contractor shall furnish members of its physician staff providing such services with a copy of said packet.

Upon request, Director shall provide Contractor with reports showing total aggregate payments to trauma physicians reimbursed by County for the professional component of un-reimbursed trauma services provided to Contractor during the term of this Agreement.

F. RECOVERY OF PAYMENT: County shall recover monies paid to Contractor hereunder for any of the reasons which follow:

1. Contractor fails to furnish patient specific data and reports required by this Agreement or by the State, or by both. County shall recover all funds paid to Contractor for that patient.

2. Funds are used for patients deemed ineligible under this Agreement. County shall recover all amounts paid to Contractor for such patients.

3. Contractor has failed to submit to any known third-party payer(s) for the patient, an accurate, complete, and timely billing, and for that reason has been denied payment by such payer(s). County shall recover all amounts paid to Contractor for that patient.

4. Contractor had knowledge of a third party tortfeasor and failed to file a lien against such third party. County shall recover all amounts paid to Contractor for such patients, except as set forth in Paragraph I.C.1.h. of Exhibit B.

5. Any funds recovered by the County pursuant to Paragraph I.F. shall be deposited into the Special Revenue Funds.

II. LUMP SUM FUNDING FOR CONTINUED ACCESS TO EMERGENCY CARE FOR  
MEDI-CAL BENEFICIARIES

The parties acknowledge that a State Plan Amendment (SPA) effective July 1, 2003, was approved by the United States Department of Health and Human Services, Center for Medicare and Medicaid Services. The SPA enables private

trauma hospitals in Los Angeles County to receive enhanced Medi-Cal payments, including federal matching funds upon payment by the County of an intergovernmental transfer (IGT) of funds pursuant to Section 14087.3 of the W&IC. Pursuant to the SPA and a related interagency agreement between the County and the California Department of Health Care Services (CDHCS), the IGT and federal matching funds are distributed among the County-designated trauma hospitals in a lump sum amount to ensure continued access by Medi-Cal beneficiaries to trauma and emergency room care in the County.

Except for Ronald Reagan UCLA Medical Center and Antelope Valley Hospital, it is the intent of the County, and the County shall recommend to the State, that the funding to each trauma hospital be based on data regarding each hospital's actual trauma center losses, in accordance with the terms and conditions set forth in a separate agreement between the trauma hospital and the State, or its intermediary, subject to the limitations contained in the SPA.

Due to their status as public institutions, Ronald Reagan UCLA Medical Center and Antelope Valley Hospital may not receive enhanced Medi-Cal payments to private trauma

centers, including federal matching funds, and the County shall instead provide directly to Ronald Reagan UCLA Medical Center and Antelope Valley Hospital any funding allocation as described herein (with payments made at or about the same time that the other trauma hospitals receive their enhanced Medi-Cal payments to trauma centers, if any).

For FY 2012-13 (January 1, 2013 - June 30, 2013), the total County maximum obligation for transfer to the State for Continued Access to Emergency Care for Medi-Cal Beneficiaries payments shall be \$12.47 million, funded by Measure B funds. Except as set forth in this Exhibit, the following funding allocation shall be the basis for the County's recommendation to the State for allocation of the IGT and federal matching funds:

Children's Hospital	\$ 406,476
All other trauma hospitals	\$12,972,126

The parties acknowledge that the above amounts are funded by Measure B TPA Funds as described above and may vary based on a Measure B adjustment. As a result, the total maximum allocation may exceed the aggregate of \$13.38 million, taking into account a Measure B Adjustment to the



Measure B TPA Funds. The lump sum amount of \$12.47 million is the estimated amount that may be transferred to the State for Continued Access to Emergency Care for Medi-Cal Beneficiaries payments.

III. FUNDING FOR BASE HOSPITAL SERVICES FOR CONTINUED ACCESS TO EMERGENCY CARE FOR MEDI-CAL BENEFICIARIES:

To account for the special costs incurred for those Contractors providing base hospital services (Children's Hospital is not providing base hospital services), and to ensure continued access by Medi-Cal beneficiaries to emergency rooms and emergency room care in the County by maintaining efficient prehospital transport of all patients to the most appropriate emergency room, the County has allocated funding for each such hospital.

It is the intent of the County to obtain federal matching funding for each County-designated trauma center providing base hospital services, except for Ronald Reagan UCLA Medical Center and Antelope Valley Hospital, through the SPA as described above.

For FY 2012-13 (January 1, 2013 - June 30, 2013), the total County maximum obligation shall be approximately \$2.25 million and the federal matching funds should be approximately \$1.56 million. Due to their status as

public institutions, Ronald Reagan UCLA Medical Center and Antelope Valley Hospital may not receive enhanced Medi-Cal payments to private trauma centers, including federal matching funds, and the County shall instead provide directly to Ronald Reagan UCLA Medical Center and Antelope Valley Hospital any funding allocation as described herein (with payments made at or about the same time that the other trauma hospitals receive their enhanced Medi-Cal payments to trauma centers, if any).

The County shall determine the funding allocation by taking into account call volume for the prior calendar year of service, including SFTPs requiring medical direction (joint runs) and excluding information only calls for all trauma hospitals providing base hospital services, as follows:

<u>CALL VOLUME</u>	<u>6-MONTH MAXIMUM AMOUNT</u>
Up to 1,500 calls/month	\$ 345,894
1,501 to 3,000 calls/month	\$ 421,299
Over 3,000 calls/month	\$ 496,704

<u>CONTRACTOR</u>	<u>6-MONTH MAXIMUM AMOUNT</u>
California Hospital Medical Center	\$ 345,894
Cedars-Sinai Medical Center	\$ 345,894
Providence Holy Cross Medical Center	\$ 345,894

Huntington Memorial Medical Center	\$	345,894
Henry Mayo Newhall Memorial	\$	345,894
Long Beach Memorial Medical Center	\$	345,894
Northridge Hospital Medical Center	\$	345,894
St. Francis Medical Center	\$	345,894
St. Mary Medical Center	\$	345,894

The County shall provide the following directly to Ronald Reagan UCLA Medical Center and Antelope Valley Hospital:

<u>CONTRACTOR</u>		<u>6-MONTH MAXIMUM AMOUNT</u>
Ronald Reagan UCLA Medical Center	\$	345,894
Antelope Valley Hospital	\$	345,894

The parties acknowledge that the funding allocations will be determined according to each trauma hospital's call volume and may be comprised of 50% of IGT and 50% of federal matching funds (or as altered by FMAP funding) for the private Trauma Centers as stated in Section IV below. If it is determined that the call volume for any or all of the trauma hospitals has increased such that the maximum amount to be paid exceeds the maximum County obligation as set forth above, the Department shall seek approval from the Board of Supervisors for additional funding as

needed. If the State determines that the County IGT for the base funding for the private trauma centers cannot draw down federal matching funds, the County's maximum obligation shall be approximately \$1.56 million and payment of any portion of that amount that is not sent to the State as an IGT will be made directly by the County to all private Trauma Centers .

The parties acknowledge that this funding is comprised of revenue generated by Measure B TPA Funds as allocated by the County Board of Supervisors. The parties further acknowledge that the Measure B TPA Funds may vary based on a Measure B adjustment. As a result, the total County maximum allocation may exceed the aggregate of \$2.25 million, taking into account a Measure B Adjustment to the Measure B TPA Funds.

IV. POTENTIAL IGT FOR FEDERAL MATCHING FUNDS:

The County may recommend that (1) the Lump Sum Funding stated above in Section II hereinabove, (2) any potential increase on the Claim Based Funding, and (3) the Base Hospital Services Funding allocations, for the private Trauma Centers be transferred to that state as an IGT, to obtain enhanced trauma payments to be paid ~~by~~ through the

Medi-Cal program to include federal matching funds, and funded through an IGT.

If the State determines that some or all of the IGT intended by the County pursuant to this Exhibit cannot be used to draw down federal matching funds, the County shall not make that portion of the IGT, and instead shall provide such funds included in this Exhibit directly to the private Trauma Centers.

The parties acknowledge and agree that some or all of the IGT allocated under the provisions of this Agreement that related to the periods July 1, 2009—through June 30, 2010, July 1, 2010 through June 30, 2011 July 1, 2011 through June 30, 2012, and July 1, 2012 through June 30, 2013 may not draw down federal matching funds under the SPA. To the extent that is true, the parties agree that the County shall have no obligation to make an IGT of such amounts and shall instead provide such funds directly to the private Trauma Centers. The amount of such direct payment shall not exceed the County funding included in contract maximum for the period.

The County may elect to re-allocate any amount of County's funding intended but not used for an IGT among and between claims based funding, lump sum funding and funding

for base hospital services, and make direct payments to any private trauma center at the discretion of the County. Such re-allocation shall be for the purpose of ensuring full funding for each of the private trauma centers providing Base Hospital services as stated in Section III of this exhibit.

V. FUNDING FOR PEDIATRIC TRAUMA CENTERS:

The parties acknowledge that Chapter 841 of the Statutes of 2006, authorized the County Board of Supervisors (Board), until December 31, 2008, to elect to levy an additional penalty in the amount of \$2 for every \$10, upon fines, penalties, and forfeitures collected for specific criminal offenses. This authority was subsequently extended to December 31, 2013 by Chapter 288 of the Statutes of 2008.

SB 1773 further authorized the Board to utilize fifteen percent (15%) of the funds collected pursuant to these provisions (known as Richie's fund) to provide funding to enhance pediatric trauma services by both publicly and privately owned and operated Pediatric Trauma Centers (PTCs) throughout the County.

Consistent with the intent of Richie's Fund, the County has previously provided funding to Northridge Hospital Medical Center (NHMC) to establish a PTC in the San Fernando Valley, and to the existing (County and Non County) PTCs to expand pediatric trauma care services. Since the Board's implementation of SB 1773 in March 2007, Richie's Fund allocations totaling \$11.6 million have been distributed as follows: \$3.1 million to the two County-operated PTCs; \$3.2 million to the four non-County PTCs; and \$5.3 million to NHMC.

For FY 2012-13, collections are estimated at \$2.0 million from which NHMC will receive an estimated \$1.9 million to help defray year three (October 2012 - October 2013) operating losses. This estimated \$1.9 million to be allocated to NHMC will be the final special allocation of Richie's Fund to NHMC. The balance of FY 12-13 collections will be allocated to all other TCs listed below based on the percentage of pediatric trauma volume provided by each PTC, as compared to the aggregate pediatric trauma volume of all County and non-County PTCs in Los Angeles County:

LAC+USC Medical Center; Harbor/UCLA Medical Center; Cedars-Sinai Medical Center; Children's Hospital Los Angeles; Long Beach Memorial Hospital; and The Regents of

The University of California, a California Corporation, on behalf of The University of California Los Angeles .

Actual Allocations to all PTC's will be reflected and paid in an extension amendment to the TCSA for FY 2013-14.